

PS 5380.07 FINANCIAL RESPONSIBILITY PROGRAM, INMATE



Program Statement

OPI: CPD
NUMBER: 5380.07
DATE: 1/3/2000
SUBJECT: Financial Responsibility
Program, Inmate

RULES EFFECTIVE: 1/27/2000

1. [PURPOSE AND SCOPE §545.10. The Bureau of Prisons encourages each sentenced inmate to meet his or her legitimate financial obligations. As part of the initial classification process, staff will assist the inmate in developing a financial plan for meeting those obligations, and at subsequent program reviews, staff shall consider the inmate's efforts to fulfill those obligations as indicative of that individual's acceptance and demonstrated level of responsibility. The provisions of this rule apply to all inmates in federal facilities, except: Study and observation cases, pretrial detainees, and inmates in holdover status pending designation.]

The Victim and Witness Protection Act of 1982, the Victims of Crime Act of 1984, the Comprehensive Crime Control Act of 1984, and the Federal Debt Collection Procedures Act of 1990 require a diligent effort on the part of all law enforcement agencies to collect court-ordered financial obligations.

2. **SUMMARY OF CHANGES.** Significant changes in this revision include:

- Ž Unit Team discretion in postponing a newly committed Federal inmate's participation in the Inmate Financial Responsibility Program (IFRP) until the first program review.
- Ž Outlines expiration dates for financial obligations.
- Ž A commissary spending limitation for IFRP "REFUSE" status inmates of at least \$25 per month, excluding purchases of stamps, telephone credits, and, if applicable, Kosher/Halal certified shelf-stable entrees.

[Bracketed Bold - Rules]
Regular Type - Implementing Information

Ž Instructs staff on identifying excess monies in the inmate's account and to encourage inmates to apply these monies toward financial obligations.

Ž Expanded definition of "EXEMPT TMP" status.

3. **PROGRAM OBJECTIVES.** The expected results of this program are:

a. All sentenced inmates with financial obligations will develop, with the assistance of staff, a financial plan to meet those obligations.

b. Each financial plan will be monitored effectively to ensure satisfactory progress is being made.

c. Appropriate consequences will be incurred for inmates who refuse to participate in the Inmate Financial Responsibility Program or fail to comply with provisions of their financial plan.

4. **DIRECTIVES AFFECTED**

a. **Directive Rescinded**

PS 5380.05 Financial Responsibility Program, Inmate
(12/22/95)

b. **Directives Referenced**

PS 2000.02	Accounting Management Manual (10/15/86)
PS 4500.04	Trust Fund Management (12/15/95)
PS 5180.04	Central Inmate Monitoring System (8/16/96)
PS 5251.05	Work and Performance Pay Program, Inmate (12/31/98)
PS 5264.06	Telephone Regulations for Inmates (12/22/96)
PS 5280.08	Furloughs (2/4/98)
PS 5290.11	Admission and Orientation Program (3/5/98)
PS 5321.06	Unit Management (7/31/96)
PS 5322.11	Classification and Program Review of Inmates (3/11/99)
PS 5330.10	Drug Abuse Programs Manual, Inmate (5/25/95)
PS 5380.03	Cost of Incarceration Fee (6/2/95)
PS 5800.11	Central File, Privacy Folder and Parole Mini- Files (9/8/97)
PS 5803.07	Progress Reports (3/16/98)
PS 5873.05	Release Gratuities, Transportation, and Clothing (9/4/96)
PS 5882.03	Fines and Costs (5/28/98)

PS 7310.04 Community Corrections Center (CCC)
Utilization and Transfer Procedure (12/16/98)
PS 8120.01 FPI Work Programs for Inmates (3/27/95)

c. Rules cited in this Program Statement are contained in
28 CFR 545.10-11.

5. STANDARDS REFERENCED

a. American Correctional Association 3rd Edition Standards for
Adult Correctional Institutions: None

b. American Correctional Association 3rd Edition Standards for
Adult Local Detention Facilities: None

c. American Correctional Association 2nd Edition Standards for
Administration of Correctional Agencies: None

d. American Correctional Association Standards for Adult
Correctional Boot Camp Program: None.

6. **PRETRIAL, HOLDOVER AND/OR DETAINEE PROCEDURES.** Procedures
specified in this Program Statement do not apply to pretrial or
detainee inmates. Bureau holdover inmates housed in Bureau jail
facilities who are in IFRP "REFUSE" status will be held to the
same FRP restrictions (e.g. lowest housing, no special purchases,
not eligible for community-based programs, etc.), as if they were
at the institution designated for them.

7. **INMATE FINANCIAL RESPONSIBILITY PROGRAM (IFRP) COORDINATORS.**
The Administrator, Correctional Programs Branch, Central Office,
is to appoint a National IFRP Coordinator to act as a resource
person for Bureau staff, other components of the Department of
Justice, other law enforcement agencies, and the public.

Each Regional Correctional Programs Administrator is to appoint a
Regional IFRP Coordinator to:

- Ž act as a resource person,
- Ž monitor institution programs, and
- Ž provide quality control within that region.

Each Warden will appoint an Institution IFRP Coordinator to
monitor all applicable IFRP assignments for inmates in the
institution and ensure that IFRP information is provided to
inmates during the Admission and Orientation Program.

8. [PROCEDURES §545.11. When an inmate has a financial obligation, unit staff shall help that inmate develop a financial plan and shall monitor the inmate's progress in meeting that obligation.]

Unit staff are responsible for entering data into the IFRP SENTRY module accurately using the IFRP SENTRY Technical Reference Manual. After an inmate signs a contract agreement, unit staff are to forward the original signed copy to the institution Office of Financial Management (OFM).

Staff are to encourage inmates to satisfy their obligations at the time of commitment or subsequently to earn compensation through UNICOR or other institution work assignments. The Unit Team may postpone a newly committed inmate's participation in the IFRP until his or her first program review, if staff determine the inmate has limited financial resources. This option may apply to inmates with lengthy sentences (e.g. five years or longer) and to inmates with limited financial resources.

[a. Developing a Financial Plan. At initial classification, the unit team shall review an inmate's financial obligations, using all available documentation, including, but not limited to, the Presentence Investigation and the Judgment and Commitment Order(s). The financial plan developed shall be documented and will include the following obligations, ordinarily to be paid in the priority order as listed:

(1) Special Assessments imposed under 18 U.S.C. 3013;

A defendant's obligation to pay a special assessment ceases five years after the date judgment was imposed. Inmates who fail to pay their assessments during the five-year period become absolved of this responsibility. 18 U.S.C. § 3013(c)

[(2) Court-ordered restitution;

When the court imposes restitution in **conjunction** with a special assessment, the inmate and unit team may develop a financial plan for satisfying the restitution **prior** to the special assessment, provided:

(a) Significant bodily injury to a victim occurred as a result of the offense; and/or

(b) Significant loss or destruction of property to a victim occurred as a result of the offense; and/or,

(c) The court, U.S. Attorney's Office, or other law enforcement agency in the jurisdiction where the offense occurred has requested it.

If the Judgment in a Criminal Case states that restitution is to be made directly to the victim, the payment(s) is still processed through the SENTRY IFRP module, and Financial Litigation staff will distribute the funds.

A defendant's obligation to pay restitution ceases 20 years after the inmate's release from incarceration for inmates convicted **on or after** April 24, 1996.

A defendant's obligation to pay restitution ceases on a circuit-by-circuit basis for inmates convicted **prior to** April 24, 1996. 18 U.S.C. § 3613(b)

[(3) Fines and court costs;]

The court may establish a payment schedule or a deferred payment date to satisfy an order of restitution or a fine. When the dates of the court-ordered payment schedule follow the period of incarceration, the financial plan should address any other financial obligations, while encouraging a savings plan to help meet future obligations.

A defendant's obligation to pay a fine ceases 20 years after the date judgment was imposed for inmates convicted **prior to** April 24, 1996.

A defendant's obligation to pay a fine ceases 20 years after the inmate's release from incarceration for inmates convicted **on or after** April 24, 1996. 18 U.S.C. § 3613(b)

[(4) State or local court obligations; and]

These may include child support, alimony, etc. Unit staff must obtain the court order or judgment that demonstrates the inmate's obligation. This document may be obtained from the U.S. Probation Officer or directly from the court issuing the order. A letter from the Court is not sufficient.

[(5) Other federal government obligations.]

Fees imposed under the provisions of Cost of Incarceration 18 U.S.C. § 4001, note, will be paid before other financial obligations included in this category. Other obligations included in this category are judgments in favor of the United States, as well as such obligations as student loans, Veterans

Administration claims, tax liabilities, Freedom of Information/Privacy Act fees, etc.

In accordance with 18 U.S.C. § 3624(e), any inmate who has a term of supervised release and a fine relative to the offense under which he or she was committed, must agree to adhere to an installment schedule to pay any remaining balance on this fine while under release supervision. Any inmate who refuses to comply with 18 U.S.C. § 3624(e) must remain in Bureau custody.

The inmate must sign and unit staff are to witness the Agreement to Adhere to Installment Schedule Agreement for Unpaid Fines (Attachment A) no later than 60 days prior to the inmate's release from custody. The signed agreement is to be placed in the Inmate Central File (Section 1) and copies forwarded to the Inmate Systems Manager and the Supervising U.S. Probation Officer.

A consecutive sentence in which there is a court-imposed financial obligation **does not** relieve an inmate of satisfying that debt(s) prior to actually serving that sentence. He or she is to be placed in the appropriate IFRP status depending upon the unit team's assessment of the inmate's ability to pay based upon community resources and institution earnings. When an inmate is assessed interest on an obligation, staff will not enter the interest as an obligation until the principal has been paid.

Absent direction from the court concerning when an obligation should be collected, payments may begin during an inmate's period of incarceration. However, unit staff are to contact the U.S. Probation Office for clarification when it is unclear if the court-ordered obligation is to be paid while the inmate is in Bureau custody or as a condition of supervision.

[b. Payment. The inmate is responsible for making satisfactory progress in meeting his/her financial responsibility plan and for providing documentation of these payments to unit staff. Payments may be made from institution resources or non-institution (community) resources. In developing an inmate's financial plan, the unit team shall first subtract from the trust fund account the inmate's minimum payment schedule for UNICOR or non-UNICOR work assignments, set forth below in paragraphs (b)(1) and (b)(2) of this section. The unit team shall then exclude from its assessment \$75.00 a month deposited into the inmate's trust fund account. This \$75.00 is excluded to allow the inmate the opportunity to better maintain telephone communication under the Inmate Telephone System (ITS).]

At each program review, when reviewing the inmate's financial

plan, the unit team must:

- Ž determine the total funds deposited into the inmate's trust fund account for the previous six months;
- Ž subtract the IFRP payments made by the inmate during the previous six months; and
- Ž subtract \$450 (i.e., \$75 x 6 months, ITS exclusion).

Any money remaining after the above computation may be considered for IFRP payments, regardless of whether the money is in the inmate's trust fund or phone credit account. All monies above that computation, may be used to adjust the inmate's IFRP payment plan.

Note: Once money has been transferred from the inmate's trust fund account to the inmate's phone credit account, this money may not be transferred back to the inmate's trust fund account, except as provided for in the Trust Fund/Warehouse/Laundry Manual. If an inmate's IFRP contract is adjusted due to a significant amount of incoming funds (above the \$450 exclusion) being deposited in the phone credit account, the inmate is to be encouraged to refrain from additional deposits to the phone credit account to accommodate the new IFRP payments.

[(1) Ordinarily, the minimum payment for non-UNICOR and UNICOR grade 5 inmates will be \$25.00 per quarter. This minimum payment may exceed \$25.00, taking into consideration the inmate's specific obligations, institution resources, and community resources.]

[(2) Inmates assigned grades 1 through 4 in UNICOR ordinarily will be expected to allot not less than 50% of their monthly pay to the payment process. Any allotment which is less than the 50% minimum must be approved by the Unit Manager. Allotments may also exceed the 50% minimum after considering the individual's specific obligations and resources.]

"Monthly pay" includes bonus and vacation pay. A recommendation for a lump sum award is to be forwarded from the detail supervisor to the unit team to note the inmate's IFRP status prior to forwarding to the Warden.

IFRP contracts for UNICOR inmates assigned grades 1 through 4 who earn less than \$50 per month should be set up for single or quarterly trust fund withdrawals (the unit team is to determine the frequency of payments; however, payments should not be monthly unless they are outside payments), until the inmate earns at least \$50 monthly in a UNICOR position. The payment should be

for no less than \$25. When the inmate earns \$50 or more per month, the IFRP contract should be changed to stipulate 50% of the inmate's pay. Likewise, when payments exceed the 50% minimum for UNICOR inmates, an additional trust fund withdrawal or outside payment should be stipulated on the IFRP contract, since the IFRP module will only allow 50% deductions.

(3) Payments may be made in the following manner:

(a) **Non-Institutional Payments.** An inmate may use non-institutional (community) resources to satisfy a financial obligation. Ordinarily, these are "one-time" payments directly to the parties to whom the obligations are owed and are intended to satisfy obligations of significant amounts. It is the inmate's responsibility to ensure staff are provided with a receipt to confirm a payment from a community resource. Canceled checks are not sufficient.

Furthermore, unless exceptional circumstances warrant otherwise, the receipt for payment must be confirmed by the appropriate law enforcement agency (U.S. Attorney's Office, U.S. Probation Office, Clerk of Court, etc).

(b) **Single Payment.** When an inmate's total financial obligation is \$100 or less (for example, a Special Assessment) a single payment is preferred.

(c) **Monthly/Quarterly Repetitive Withdrawals.** Repetitive withdrawals from the inmate's Trust Fund Account will be used for **all** inmates who elect to make financial payments from institution earnings. By using the SENTRY program, unit staff **must** indicate if the repetitive payment is to be made monthly or quarterly. Quarterly repetitive payments should be requested only from non-UNICOR and UNICOR Grade 5 inmates. Repetitive withdrawals for UNICOR inmates Grades 1-4 are discussed below.

The OFM shall process quarterly repetitive payments **once** each quarter during the last month of each quarter (December, March, June and September). Any contract indicating quarterly repetitive payments OFM received during the first or second month of the quarter are to be held and processed during the last month of the quarter.

[c. Monitoring. Participation and/or progress in the Inmate Financial Responsibility Program will be reviewed each time staff assess an inmate's demonstrated level of responsible behavior.]

At these reviews, the status of the payment plan and the inmate's degree of participation is to be reflected on the

Program Review Report. Unit staff will indicate the total amount deposited into the inmate's trust fund account for the previous six months in the "FRP Plan/Progress" section of the Program Review Report form.

If an inmate is not making payments commensurate with these deposits, unit staff must also document the specific reasons. Unit staff may make positive comments regarding the inmate's FRP participation. Reports on the status of the inmate's participation are also to be reflected on his or her progress report.

When a progress report is prepared for release purposes, a statement as to how the inmate will continue the financial plan, if applicable, after release from custody is to be included.

[d. Effects of Non-participation. Refusal by an inmate to participate in the financial responsibility program or to comply with the provisions of his financial plan ordinarily shall result in the following:

(1) Where applicable, the Parole Commission will be notified of the inmate's failure to participate;

(2) The inmate will not receive any furlough (other than possibly an emergency or medical furlough);]

This restriction does not apply to inmates requiring medical furloughs and inmates with "OUT" or "COM" custody who are transferring from one institution to a minimum security level institution via an unescorted transfer.

[(3) The inmate will not receive performance pay above the maintenance pay level, or bonus pay, or vacation pay;]

The unit team is to consider institution needs, particularly for skilled workers. Such needs may require that an inmate with a financial obligation be assigned to a lower paying, non-UNICOR work assignment. The unit team considers this when developing the inmate's financial plan. An inmate working above the maintenance pay level who fails to make satisfactory progress on his or her payment plan is to be reduced to maintenance pay.

[(4) The inmate will not be assigned to any work detail outside the secure perimeter of the facility;]

Additionally, inmates will not be permitted to participate in activities outside the secure perimeter, such as speaking engagements.

[(5) The inmate will not be placed in UNICOR. Any inmate assigned to UNICOR who fails to make adequate progress on his/her financial plan will be removed from UNICOR, and once removed, may not be placed on a UNICOR waiting list for six months. Any exceptions to this require approval of the Warden;]

The unit team may recommend an inmate for priority placement in UNICOR to assist in paying a significant financial obligation. Ordinarily, an inmate will not be recommended for priority placement unless he or she has obligations totaling at least \$1,000 and limited outside resources.

[(6) The inmate shall be subject to a monthly commissary spending limitation more stringent than the monthly commissary spending limitation set for all inmates. This more stringent commissary spending limitation for IFRP refusees shall be at least \$25 per month, excluding purchases of stamps, telephone credits, and, if the inmate is a common fare participant, Kosher/Halal certified shelf-stable entrees to the extent that such purchases are allowable under pertinent Bureau regulations;]

Inmates in IFRP "REFUSE" status will not be permitted to spend more than \$25 per month in commissary, excluding purchases of stamps and telephone credits. Staff will not approve any special purchase item request(s) for inmates in IFRP "REFUSE" status, except for purchases of Kosher/Halal certified shelf-stable entrees for those inmates verified as common fare participants.

[(7) The inmate will be quartered in the lowest housing status (dormitory, double bunking, etc.);]

(8) The inmate will not be placed in a community-based program;]

The unit team is to consider the inmate's participation in the IFRP as an important factor when determining Community Corrections Center (CCC) placement.

[(9) The inmate will not receive a release gratuity unless approved by the Warden.]

When a non-participating inmate's need for funds is exceptionally great, the unit team may recommend to the Warden that a gratuity be given.

[(10) [Reserved]] (This section is reserved for future rule changes.)

[(11) The inmate will not receive an incentive for participation in residential drug treatment programs.]

Incentives are defined as early release, financial awards, maximum Community Corrections Center placement consideration, and local institution incentives. Staff are referred to the Drug Abuse Programs Manual, for limitations, guidelines, and eligibility criteria.

(12) The inmate's score on "Responsibility" on the Custody Classification form (BP-338), is to be zero.

9. **SENTRY REQUIREMENTS.** The unit team must enter an appropriate IFRP assignment into SENTRY no later than initial classification, update that assignment when the inmate's IFRP status changes, and review that assignment at least once every six months, particularly at the inmate's program reviews. The IFRP assignments are:

a. **"UNASSG."** "Unassigned" is automatically entered in SENTRY when an inmate is committed to federal custody. At initial classification, this assignment **must** be converted to another assignment, based on the payment plan developed by the unit team and the inmate's willingness to participate.

b. **"NO OBLG."** "No Obligation" is entered for an inmate when there is no documented financial obligation. This category is also used for an inmate who has no financial obligation payable while in Bureau custody (e.g., An inmate receives a \$50 assessment which the Judge remits or waives, and a \$2,000 fine due while on supervised release). "NO OBLG" will also be entered for inmates whose financial obligations have expired due to time limitations.

c. **"PART."** "Participates in Program" is entered for an inmate who agrees to pay, signs an agreement, and is making payments towards his or her financial obligation(s). In the case of initial commitment **only**, "PART" may be assigned to an inmate pending receipt of the first scheduled payment; however, that payment must be made **and** confirmed by staff within three months.

For all other inmates, the status of "PART" is to be reviewed in accordance with the payment plan or, at a minimum, every six months.

d. **"REFUSE."** "Refuses to Participate in Program" is entered immediately when an inmate verbally refuses to participate in the program. Subsequent to the initial classification, at any time the unit team discovers the inmate is not making the agreed-upon payment(s), it is their discretion to place the inmate into IFRP "REFUSE" status and do the following:

- Ž Notify the inmate of the change in IFRP status, once the change is made.
- Ž Discuss with the inmate the consequences of being placed in "REFUSE" status, and that consequences will begin immediately.
- Ž Unit Staff are to document that the inmate has been notified and counseled on the change of IFRP status in the Inmate Activity Record.

Each month, no later than five business days prior to payroll submission, the Institution IFRP Coordinator must produce a roster of inmates in "REFUSE" status and distribute it to:

- Ž all Department Heads,
- Ž the Associate Warden of Programs, and
- Ž the Performance Pay Coordinator.

It is the Performance Pay Coordinator's responsibility to ensure these inmates do not earn above maintenance pay or earn bonus pay or vacation. Additionally, an inmate who is in "REFUSE" status and assigned to work more than one detail will not earn above maintenance pay for his or her total combined earnings from each work assignment.

Once an inmate has been placed in "REFUSE" status, the inmate must demonstrate a willingness to continue participation in the program.

e. **"EXEMPT TMP."** "Temporarily Exempt from Participation" will be entered for an inmate who is unable to participate adequately toward satisfaction of the obligation, ordinarily because of medical or psychological restrictions which prevent the inmate from working. This assignment may also be used for an inmate who is unable to secure employment in UNICOR or advance beyond maintenance pay due to conditions beyond the inmate's control (overcrowding, institution need, special circumstances, etc.).

Additionally, at initial classification, the unit team may place newly committed inmates who have limited financial resources in IFRP "EXEMPT TMP" status until their first program review, when unit staff determine that the inmate has limited financial resources. However, in **all** cases, staff must also consider the inmate's ability to participate by using non-institutional (community) resources prior to placing the inmate in "EXEMPT TMP" status.

The unit team must review each inmate's "EXEMPT TMP" status at the inmate's program review. The Unit Manager will review and document the Unit Team's decision on the Program Review Report when the inmate is continued in this assignment.

f. **"COMPLT."** "Completed the Program" shall be entered for an inmate who has totally satisfied **all** financial obligations ordered payable during incarceration.

10. **MONITORING AND TRACKING REQUIREMENTS.** Unit staff are responsible for entering SENTRY data through the IFRP module and ensuring that an active contract exists for all inmates in "PART" status. Further instructions in data entry are available in the SENTRY Inmate Financial Responsibility Technical Reference Manual.

11. **APPEALS.** When an inmate's sentence of imprisonment is modified or corrected, absent any statement to the contrary in the new sentencing order, any existing court-ordered financial obligations remain in effect and should be collected pursuant to the provisions of this Program Statement. The provisions of this Program Statement also apply if an inmate is appealing his or her sentence, unless the court orders a "stay of collection" pending the appeal.

12. **WITNESS SECURITY CASES.** IFRP payments by Witness Security Cases shall be processed in accordance with this Program Statement.

13. **INSTITUTION SUPPLEMENT.** Each institution will develop an Institution Supplement to:

- a. Designate an institution IFRP Coordinator;
- b. Outline UNICOR priority placement;

c. Explain any procedures necessary to develop or monitor the institution IFRP program; and,

d. Specify the date of the month on which the IFRP Refuse roster will be accessed for the purposes of ensuring that non-participating inmates are not receiving performance pay above the maintenance pay level.

A copy of the Institution Supplement is to be forwarded to the respective Regional Correctional Programs Administrator.

/s/

Kathleen Hawk Sawyer
Director

**AGREEMENT TO ADHERE TO INSTALLMENT SCHEDULE AGREEMENT FOR UNPAID
FINES**

In accordance with 18 U.S.C., Section 3624(e), I agree to adhere to an installment schedule while on supervised release, for payment of the remaining balance on any fine relative to the offense under which I am committed. I understand the installment schedule for the payment of this fine will be established by the United States Probation Office responsible for my supervision subsequent to my release from incarceration. I also understand that failure to execute this agreement will prevent my release from incarceration.

NAME & REGISTER NUMBER (PRINT)

STAFF WITNESS (PRINT)

NAME & REGISTER NUMBER (SIGNED)

STAFF WITNESS (SIGNED)

DATE

DATE

CC: Central File (Section I)
Inmate Systems Manager (J&C File)
Supervising USPO